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9
10 UNITED STATES BANKRUPTCY COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

13 In re:

14 JESPER LUNDBAEK and
15 RONDA GAE LUNDBAEK,
16 Debtors.

Case No: 15-30456

Chapter 13

Honorable Dennis Montali

17 UNITED STATES' OBJECTION TO
DEBTORS' PLAN

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19 The United States of America, on behalf of its agency, the Internal Revenue Service ("IRS"), by
20 and through its undersigned attorneys, hereby objects to Debtors Jesper and Ronda Gae Lundbaek's
21 ("Debtors'") "Chapter 13 Plan," filed on April 13, 2015 (Doc. # 2) (the "Plan"), as follows:

22 Debtors filed the current Chapter 13 action on April 13, 2015. The IRS has filed a proof of claim
23 in the amount of \$156,984.65 (\$60,970.30 secured, \$50,020.84 priority, and \$ 45,993.51 unsecured).
24 The proof of claim is based on income taxes assessed for 2005-2010, and estimated income tax and
25 employment taxes for 2011-2015.
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1 The Plan is objectionable for several reasons:

2 1. Debtors failed to file a Form 1040, Individual Income Tax Returns, for 2014. The filing of
3 such returns should be a prerequisite for any relief.

4 2. The Plan significantly undervalues the IRS's priority claim, estimating it at \$12,372.33 when
5 in fact it is \$50,020.84. The Plan also improperly completely omits the IRS's priority claim. Debtors
6 have made no effort to acknowledge or disputed the IRS's claim. Thus, the Plan does not genuinely
7 provide for full payment of the IRS's secured claim, or interest. *See* 11 U.S.C. §§ 1325(a)(5), 506(b) &
8 511(b).

9 3. When the IRS's claim is taken into account, Debtors' unsecured debts exceed the limits
10 specified in 11 U.S.C. § 109(e).

11 In sum, the Plan contains several errors, it does not properly provide for the IRS's claims, and
12 this case should be converted or dismissed in the absence of a viable plan. In any event, the United
13 States respectfully requests that the Court deny confirmation of the Plan.

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15 Respectfully submitted this 26th day of May, 2015,

16 MELINDA HAAG
17 United States Attorney

18 s/ Michael G. Pitman
19 MICHAEL G. PITMAN
Assistant United States Attorney, Tax Division

20 Attorneys for the United States of America
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